

**MINUTES OF THE**  
**CITY OF SANTA FE**  
**FINANCE COMMITTEE**

**Santa Fe, New Mexico**

**April 21, 2003**

A regular meeting of the City of Santa Fe Finance Committee was called to order on this date at approximately 5:15 p.m. in City Hall Council Chambers. Roll Call indicated the presence of a quorum, as follows:

**Members Present:**

Councilor Carol Robertson Lopez, Chair  
Councilor Miguel M. Chavez  
Councilor Karen Heldmeyer  
Councilor Matthew E. Ortiz  
Councilor Rebecca Wurzbarger

**Members Excused:**

None.

**Other Councilors Present:**

Councilor David Coss  
Councilor Patti J. Bushee  
Councilor David Pfeffer

**Staff Present:**

Mr. Jim Romero, City Manager  
Ms. Kathryn Raveling, Finance & Budget Division  
Ms. Terrie Medina, Finance & Budget Division  
Mr. Cal Probasco, Finance & Budget Division

**APPROVAL OF AGENDA**

Referring to Item 29, Ms. Raveling said "Review of Fiscal Year 2001/02 Budget Year-to-date" should say "2002/03" instead.

**Councilor Chavez moved approval of the Agenda, as corrected. Councilor Heldmeyer seconded the motion, which passed 2-0 by voice vote. [Councilor Ortiz and Councilor Wurzbarger were not present for this action.]**

## **APPROVAL OF CONSENT AGENDA**

**Upon motion by Councilor Chavez, seconded by Councilor Heldmeyer, the following Consent Agenda, as amended, was approved 2-0 by voice vote. [Councilor Ortiz and Councilor Wurzburger were not present for this action.]**

**6. Bid Openings:**

- a) Bid No. 03/29/B — Liner Replacement for Salvador Perez Pool; Pool Pro.
- b) Bid No. 03/32/B — Santa Fe Municipal Airport Terminal Building Renovations; Jack B. Henderson Construction Co., Inc.
- c) Bid No. 03/40/B — Maez Road Storm Drain Project; Khani Company.
  - 1. Request for Approval of Budget Transfers — Various Funds.
- d) Bid No. 03/45/B — Botulph Road Improvement Project; A.S. Horner, Inc.
  - 1. Request for Approval of Budget Transfers — Various Project Funds.
- e) Bid No. 03/50/B — Traffic Line Paint for Public Works Department; J. H. Supply.

**7. Request for Approval of License Agreement — Premise Relocation of Railyard Property; Santa Fe Farmers Market, Inc.**

**8. Request for Approval of Amendment No. 1 to Grant Agreement — Santa Fe Municipal Airport Terminal Renovations; State Highway and Transportation Department.**

- a. Request for Approval of Budget Increase — Project Fund.

**9. Request for Approval of Grant Award — Santa Fe Trails Santa Fe Ride Program; Federal Transit Administration.**

**10. Request for Approval of Grant Award — ArtWorks Program; Thaw Charitable Trust.**

- a. Request for Approval of Budget Increase/Transfer — Grant Fund/ Quality of Life Fund.

**11. Request for Approval of Amendment No. 1 — Cash in Lieu of Commodities Contract; New Mexico Economic Development District Area Agency on Aging (NCMEDD)**

- a. Request for Approval of Budget Increase — Grant Fund.

12. Request for Approval of 2002 Laws of New Mexico Contracts — State of New Mexico State Agency on Aging:
  - a. Vehicles for Division of Senior Services
  - b. Mary Esther Gonzales Senior Center Renovations
  - c. Equipment and Appliances for Division of Senior Services
  - d. Request for Approval of Budget Increases — Grant Fund
13. Request for Approval of Procurement Under State Price Agreements — Vehicles for Senior Services:
  - a. Rich Ford
  - b. Auge Sales
  - c. Reliable Chevrolet
  - d. Galles Chevrolet
14. Request for Approval of Emergency Procurement — Air Conditioning System for Computer Room; Integrity Networking Systems, Inc.
  - a. Request for Approval of Budget Transfer — ITT Department Fund
15. Request for Approval of Procurement Under Two State Price Agreements — Intersection and Traffic Signal Maintenance Materials for Transportation Division; Various Project Funds.
16. Request for Approval of Budget Increase — Cerrillos Road and Camino Carlos Rey Intersection Improvements; Developers of La Cieneguita del Camino Real Subdivision Letter of Credit.
17. [Moved to Discussion Agenda by Councilor Heldmeyer.]
18. Request for Approval of Joint Powers Agreement — Jobs Access and Reverse Commute Program (JARC) for Transit Department; New Mexico Human Services Department.
  - a. Request for Approval of Memorandum of Agreement — Regional Operations Provider for JARC Program; Rio Arriba County/Los Valles Transit.
19. Request for Approval of Second Amendment to Third Supplemental Cooperative Project Agreement — Cerrillos Road Reconstruction Project; New Mexico State Highway and Transportation Department.
  - a. Request for Approval of Budget Transfer — Project Fund.
20. Request for Approval of Amendment No. 1 to Professional Services Agreement — Cerrillos Road Reconstruction Project, Airport to Richards Avenue; Parsons Brinckerhoff, Inc.

21. Request for Approval of Procurement Under State Price Agreement — Slurry Seal Treatment for Paved Street Rehab Program; IPR Ltd.
  - a. Request for Approval of Recycled Asphalt Paving Program — West Zia Road, General Sage and Indian Ridge
22. Request for Approval of Professional Services Agreement — Security Guard Services for Water Department (RFP No. 2003/21/P); Chavez Security, Inc.
23. Request for Approval of Amendment No. 1 to Professional Services Agreement — Old Pecos Trail Project; Gannet Fleming West, Inc.
  - a. Request for Approval of Budget Transfers — Project Fund.
24. Request for Approval of Amendment No. 2 to Professional Services Agreement — Construction Engineering and Management Services; Louis Berger Group, Inc.
25. Request for Approval of Amendment No. 3 to Agreement Between Owner and Architect — Architectural Design Services for Airport Terminal Renovation; Molzen-Corbin and Associates.
26. [Moved to Discussion Agenda by Councilor Heldmeyer.]
27. Request for Approval to Publish Notice of Public Hearing on May 28, 2003, of an Ordinance Amending Sections 25-2.7, 25-5.7 and Exhibits C and D to Section 25-5.7 SFCC 1987 Regarding Irrigation Restrictions for Public Parks, Public School Athletic Fields and Roadside Landscapes. (Councilors Chavez and Councilor Lopez.)

**APPROVAL OF MINUTES: March 17, 2003 and March 31, 2003**

[Deferred to next regular meeting.]

**DISCUSSION AGENDA:**

**Request for Approval — Free Transfers From Park and Ride Transportation System to Santa Fe Trails Buses; New Mexico State Highway and Transportation Department.**

Councilor Heldmeyer asked if she understood correctly that the City is being asked to pick up the in-town bus fare for Park & Ride users, and has agreed to do it for 18 months but wants to be reimbursed after that.

Mr. Bulthuis responded that this was correct. He said the Highway Department has requested that this transfer be a seamless one and that riders not be required to pay any additional money to ride the local bus system beyond that which they would pay for the Park & Ride service. He added that the Transit Advisory Board has expressed support for the “fare fee” transfer policy during the initial 18-month contract in order to promote and build support for regional transit service, and beyond that wants staff to work with the Highway Department on a revenue sharing agreement.

Councilor Heldmeyer wondered if giving them this free service now — which is in essence an introductory offer — would set any kind of precedent in terms of arrangements down the road.

Mr. Bulthuis responded that staff and the Transit Advisory Board “have discussed this, and are explicit that it would be limited to the 18 months. So I think we have done our best to communicate that we want to be supportive initially, and will be supportive over the long term, but we’ll need to have some kind of financial commitment from the operator.”

Councilor Heldmeyer asked if that would be put in writing to the Highway Department, and Mr. Bulthuis responded that this could be done.

**Councilor Heldmeyer moved for approval, with that instruction to staff. Councilor Chavez seconded the motion, which passed 2-0 by voice vote. [Councilor Ortiz and Councilor Wurzbarger were not present during this action.]**

**Request for Approval of a Resolution Relating to a Request for Approval of Quarterly Budget Adjustments for FY 2002/2003.**

Councilor Heldmeyer observed that \$90,000 in gross receipts is to be transferred to the Section 9 Operating Fund, and asked for detail.

Ms. Raveling explained that, when staff made the distribution for the 1/4%, a portion was unallocated because gross receipts tax is increased at midyear to cover some items. She said it was simply redistributing that balance from the 1/4% to Transit.

**Councilor Heldmeyer moved for approval. Councilor Chavez seconded the motion, which passed by voice vote, with Councilor Chavez, Councilor Heldmeyer and Councilor Wurzbarger voting in favor, and Councilor Ortiz abstaining.**

**Request for Approval of Sole Source Procurement and Professional Services Agreement — Radio Broadcasting; Northern New Mexico Radio Foundation, Inc.**

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**A. Request for Approval of Budget Increase — General Fund.**

ITT director Rick Carlisle requested approval to enter into a sole source contract with KSFR for the purpose of broadcasting City Council meetings, special events, and all elections. He stated that KSFR is the only FCC public radio station in the city, and is the only radio station that allows public access.

Mr. Carlisle said use of the radio station is desirable because the City has received a very large volume of calls from citizens requesting an alternative to Channel 8, the public access TV station, because they cannot get cable and want to view City Council meetings, etc.

Mr. Carlisle said this is a four-year contract, i.e., one year with three annual options to renew, in the amount of \$62,500 per year. He said the funds would come out of the new revenues from the Comcast franchise.

Responding to questioning from Councilor Wurzbarger, Mr. Carlisle stated that this contract would represent approximately 25% of the total income from the Comcast franchise, including old and new revenues.

**Councilor Chavez moved for approval. Councilor Wurzbarger seconded the motion, which passed 4-0 by voice vote.**

KSFR representative Richard Bloch thanked the Finance Committee for approving this contract. He added that the station is very pleased with the progress it has made in the last year in serving the community, and hopes to continue to expand that service.

## **REVIEW OF FISCAL YEAR 2002/03 BUDGET YEAR TO DATE**

### **General Fund**

Ms. Raveling referred to a one-page summary of the status of the General Fund. She commented that, unlike this time last year, the General Fund is doing well. She said gross receipts tax revenues are up about 5%, and expenses are a bit lower than what they usually are at this time of year. She added that, because of the DFA's new interpretation of its policies, the City plans to cut off most purchase orders in mid May, so she would have better expense figures at that time.

### **Quarterly Reports on Enterprise Funds for the Quarter Ended 3/31/03**

Ms. Raveling reviewed the status of the enterprise funds for the quarter ended March 31, 2003, with highlights as follows:

Airport: Revenues exceeded expenses to date by \$11,523.

Water: Revenues exceeded expenses by \$4.27 million, so they are doing well, thanks to the rate increase, the improved billing system, and aggressive collections.

Noting remarks by Ms. Raveling that revenues are expected to be lower during the third quarter with a higher usage during the fourth quarter, Councilor Wurzbarger asked Ms. Raveling if she was assuming the City would stay in Stage 3 during the fourth quarter. She said she was asking this question because she has discussed with the City Manager the possibility of briefly going out of Stage 3 during the planting season.

Mr. Gee commented that it does not matter whether the City is in Stage 2 or Stage 3, because the surcharges kick in with Stage 2 and stay there until the City comes out of Stage 2. He stated that, in terms of budget projections, staff assumed the City would be in Stage 2 or 3 for a portion of the year, approximately six months.

Transit: Transit has been a pretty stable fund for the last few years and is in the black \$352,000.

Parking: Parking has also been a stable fund, and is in the black \$149,000. They are also positive on the revenue side by about \$71,000 and positive on the expenditure side by about \$364,000.

Solid Waste Management Enterprise Fund: They are in the black, but that includes the SWMA rebate of \$200,000. Revenues are a bit higher than budgeted if one allocates the quarter by \$536,000. Expenditures are a little bit over one allocates the quarter by \$122,000. But they are pretty much in line.

GCCC: They are in the black by \$107,000. Revenues are a little bit short per the allocated budget for the third quarter by \$23,000, but correspondingly their expenses are below the third quarter allocation by \$240,000.

MRC: This continues to be one of the City's "problem funds." They are showing a deficit between revenues and expenditures of \$440,000. They are coming out of the winter season and heading into their fourth quarter, which is a high point in their season. It is not anticipated that they will fully make up the deficit, but it should improve it significantly. It should be noted that the expenditures include debt service.

Wastewater: Continues to be a stable fund, with revenues over expenditures at \$1.5 million. Their expenditure budget includes a lot of contingency funds in the event something happens at the plant, because everything is sole source and everything is very expensive. Revenues are about \$600,000 over the third quarter allocation; correspondingly, their expenses are below the third quarter allocation of about \$1.3 million.

Sweeney: They have stabilized and are in the black by almost \$55,000. Revenues are over the allocation by about \$10,000, and expenses are below the allocation of about \$114,000.

Responding to questioning from Councilor Heldmeyer, Mr. Romero said the City couldn't continue to hold down expenditures to the extent it has over the past two years. He said the budget recommendations for the upcoming fiscal year include various capital expenditures.

Councilor Wurzbarger said she has the impression, based on feedback from staff and citizens, that the cutbacks have had an impact on services.

Mr. Romero added that there really has not been a loss of service because he has people work two or three different types of jobs in order to hold down expenditures, but pointed out that this trend cannot continue from a practical standpoint.

Councilor Wurzbarger stated that some of her constituency in District 2 have expressed concern about the level of staffing in certain areas, particularly Planning.

Chair Lopez said she was glad to see that people haven't been laid off and have been willing to take on additional duties. She pointed to other cities in New Mexico where entire programs have been cut because of their budgets.



### **Update on Gross Receipts Tax and Lodgers Tax**

Ms. Raveling referred to updates in the packet, noting that gross receipts taxes are at 5.5% with two more months to go in this fiscal year. She commented that the City is doing surprisingly well in this area.

Addressing the Lodgers Tax, Ms. Raveling pointed out that, even though it shows an approximate 7% increase, the City has been aggressive in collecting some significantly past due Lodgers Tax — and if the past-dues are backed out, there has been a 3% decline.

### **CITY MANAGER RECOMMENDATIONS FOR THE FISCAL YEAR 2003/04 OPERATING BUDGET**

Mr. Romero's called the Committee's attention to pages 1-14 in the book entitled, "Annual Operating Budget/Fiscal Year 2003-04."

Mr. Romero reported, "The City of Santa Fe is relatively in better financial condition than some cities around the state of New Mexico and the country.... This, I feel, was due to the precautions that the Mayor and Council took right after the tragedy of 9/11, such as a hiring freeze that was implemented, reductions of travel requests, capital replacement, etc. However, due to the unpredictability of the economy and somewhat flat revenues in the City's gross receipts tax that we've experienced in the last several years, there are specific funds that I focused on, such as the General Fund, Retiree Health Claims Reserve Fund, Solid Waste, Wastewater, Parking, Stormwater, MRC, and Retiree Health.

"Based on the recommendations of the Finance Committee, there are several areas that can be addressed in the upcoming budget. However, to maintain a sound financial outlook for the City of Santa Fe in the future, specifically 2004-05, there are issues that should be addressed during the upcoming fiscal year for implementation...."

Focusing first on the General Fund, Mr. Romero said about requests at the start of the budget process exceeded projected revenues by about \$10.5 million. He said the initial round of cuts reduced that to about \$4 million, at which point he began looking into reserves, such as liability insurances in the General Fund that are assessed to departments. He referred to a list of one-time-only transfers made to the General Fund from non-recurring revenues, totaling \$3.1 million. He said the biggest one was charging the Claims Reserve Fund \$2 million, noting that the fund has a balance at the current time of about \$5 million, so is extremely healthy.

Mr. Romero said these transfers left the General Fund about \$1.2 million short of being balanced. He stated that staff began looking at building permits and development fees and researching assessment fees charged by Las Cruces, Albuquerque and Roswell in the planning and land use arena. He noted that some municipalities have adopted the UBC and ICBO rate of assessments based on valuation of new homes. He said this would generate an additional \$1.2 million.

Planning & Land Use planner Jim Salazar referred to a proposed ordinance on pages 263-265, which would increase building permit fees. He stated that, in analyzing fees in the other cities, staff discovered that the City of Santa Fe is about 50% of what it should be if it adopted the Uniform Administrative Code and building permit fees from the UBC, and also ICBO evaluation tables. He explained that the City has no standard method for determining construction valuation; rather, builders come in, estimate construction value on their building permit form, and the City accepts that at face value.

Mr. Salazar said the ICBO publishes a building valuation data table on a quarterly basis, where it recommends valuation based on types of construction. He stated that the ICBO recommendation for a basic frame home is about \$67.30 per square foot, which is low for Santa Fe — contractors asked by the City to provide estimates have submitted figures between \$80 per square foot and \$200 per square foot for the same type of construction. He said averages calculated from building permit applications to the City have ranged between \$30 per square foot and \$150 per square foot. He commented that standardizing these numbers would be the best choice through adoption of the ICBO valuation tables, which are reasonable, as well as adopting the UBC and Uniform Administrative Fee Schedule for building permit fees, but lowering it to what the City feels is reasonable.

Mr. Romero stated that Solid Waste is one area where the City continues to experience problems with capital equipment replacement, and was recommending an 18.4% increase. He said 11.6% would maintain day-to-day operations and begin equipment replacement. He said 3.8% would maintain the recycling pickup service, eliminating the City's need to subsidize this program at \$400,000 a year. Mr. Romero said the remaining 3% of the increase would be used to repay the loan from the 1/16% tax to purchase capital equipment.

Mr. Romero said he was also asking the Governing Body to consider selling the transfer station at market value. He said the station was built 3-4 years ago at a cost of \$7 million. He stated that SWMA has expressed some interest and Public Works director Mike Lujan has been discussing the idea of SWMA establishing an MRF (materials recovery facility) at the transfer station.

Mr. Romero said the MRC continues to be a problem, and hasn't met projected revenues for the last two years. He said the City is reducing projected revenues to reflect reality. He stated that he is also recommending that golf rounds be increased

by \$2 per round, golf cart fees be increased by \$1 per cart, and that MRC staff be reassigned to various duties in other areas of the City between November 1 and February 28, the “down time” at the MRC and golf course.

Mr. Romero stated that he was recommending a spectator fee — not determined at this point — at the GCCC to reduce the drop-in day rate for youth — to make it comparable to other facilities in the City such as Ft. Marcy and Salvador Perez. He said the drop-in fee at the GCCC is \$1.50 to \$2 at the GCCC, depending on the age, versus 90¢ at Ft. Marcy.

Mr. Romero said he was recommending a 75¢ per month wastewater fee increase. He noted that, under the EPA-mandated stormwater management plan, the City has to build a \$20-\$25 million sludge facility plant in five years. He said this increase would also allow the purchase of a vactor for the Streets operation and an additional staff member.

Addressing Parking, Mr. Romero said he was recommending some increases. He said that, while there are cash reserves in the Parking budget, the City has an obligation to construct a parking facility at the Railyard and possibly at Sweeney Center as well, and will require bonding.

Councilor Pfeffer asked Mr. Salazar if he was basing his estimates of an additional \$1.2 million in revenues from building permit fee increases on the number of building permits that would be issued, and Mr. Salazar responded that the numbers are based on the number of building permits issued in the previous year.

Councilor Pfeffer asked Mr. Salazar if he expected a decline in building permits, and Mr. Salazar responded that staff has been watching the applications closely, especially since 9/11 and also taking the water budget into consideration, “and the trend has been that we are consistent with the numbers of the previous two years as far as building permit numbers.”

Councilor Pfeffer commented that the toilet retrofit program has about two years to go, and asked if a decline in building permits could be expected at that point.

Mr. Salazar responded that staff has not analyzed that.

Councilor Pfeffer suggested that perhaps building permit fees should only be increased for one year, then. He said he suspected that, as the City sees the number of WCs subject to retrofit diminish, it can expect building construction requiring water to diminish over the next two years unless something drastic happens.

Chair Lopez commented, "That's a good point. So what could happen is, this year, we get an extra \$1.2 million from this, but if building permit numbers went down, we could just be holding our own."

Mr. Romero said Councilor Pfeffer was correct that the City hasn't looked two years down the road, but if building permits were to dramatically decline, then the City could start laying off Planning & Land Use employees in the building permit area.

Councilor Chavez commented that the City is 50% below the norm, as pointed out by Mr. Salazar: "And I think there's another term for that; it's called being behind the eight ball. And we're playing catch up now. We should have done this incrementally over the last three or four years, which we didn't do."

Councilor Pfeffer asked Mr. Salazar how building construction costs compare with Las Cruces and Albuquerque, and Mr. Salazar responded that staff would have to research that.

Responding to concerns expressed by Councilor Pfeffer that affordable housing costs could rise, Mr. Romero stated that the City intends to continue waiving all fees for affordable housing.

Councilor Heldmeyer pointed out that the City would be raising building permit fees above what they were, but they will still be lower, based on UBC rates, than what they would be based on the assessed amount for construction.

Councilor Bushee recalled that, in a previous instance where building permits were increased, the City tied its rate increase to staff performance, e.g., processing permits within a certain time limit, and to staffing levels. She suggested that there be further discussion on this concept, noting that the Construction Industry Advisory Committee, now inactive, was supposed to monitor this system.

Chair Lopez agreed with Councilor Bushee. She said the City "at that time told the building community, hey, we're going to raise your fees, but you're going to get such dazzling service you're not going to mind paying it."

Mr. Salazar agreed to provide a report for tomorrow's meeting.

Councilor Chavez suggested that all of the ordinances calling for an increase in fees include language requiring the City to review them annually or every two years, and consider increasing fees where applicable to adjust for inflation, cost of living, etc. He commented that the City hasn't done that in the past, which has gotten it into this catch-up situation.

Councilor Heldmeyer said she introduced such a resolution in the last City Council “and it died a quick death.” She commented that it makes sense from a business point of view, however, to consider doing that.

Councilor Bushee expressed concern that, if the City is exempting affordable housing, it is adding to the cost of housing in the city, which affects middle class residents. She said she plans to propose adding a fee for affordable housing.

Chair Lopez asked staff to provide a breakdown on how much of the MRC budget is going to the golf course and how much is going to the fields. She commented that people have been led to believe that the golf course is draining the budget, when in fact the golf course is subsidizing the MRC.

Chair Lopez expressed concern about a possible detrimental effect on the golf course and sports complex by moving staff to other City areas during the so-called off-season. She cited vandalism as one possibility.

Mr. Romero responded that New Mexico Golf is at the course seven days a week, and he was also proposing that the maintenance superintendent remain on site.

Addressing the stormwater special revenue fund, Councilor Chavez asked Mr. Romero if this will be managed under Public Works, and Mr. Romero responded that this was his intention. He said the Streets Division has the personnel and much of the equipment to deal with the stormwater issue.

Councilor Chavez said he was hoping to see some features in the arroyos in terms of aquifer restoration, and questioned whether the 75¢-per-month fee increase would cover that, adding that he thought stormwater should be considered a resource for the city under proper management. Referring to page 110 in the budget book (Stormwater Project Management Plan Budget), Councilor Chavez asked how the Mayor and Council would be able to explain to the general public why fees are being increased. He commented that not enough thought has gone into this.

Mr. Romero responded that he hoped public forums could be scheduled in each district to explain what the increases are meant to do.

Councilor Chavez asked Public Works director Mike Lujan what it would cost the citizens if the City were to approach stormwater management more creatively, i.e., could it be considered “an investment and not only a liability.”

Mr. Lujan responded that the proposed budget for the stormwater management program supports the plan submitted to the EPA by the City Manager. He stated that the first priority is to get a project manager on board to focus on the details of

this program. He said public information and education will obviously be critical; additionally, the resource aspect of this program will be followed up in more detail.

Mr. Lujan said the project manager would be an excellent liaison to the River Commission. He added that Lawrence Ortiz of the Streets Division has a critical need in his operation from a drainage standpoint with respect to how he is servicing drop inlets throughout the city.

Councilor Chavez said he hoped to see this strategy developed as an ongoing policy for the City to address the increasing number of hard surfaces as the city continues to grow.

Councilor Wurzbarger expressed concern that the budget has no line item for anything to do with the “big issue,” the Buckman diversion project (beyond some planning money) that has to be online in 2007. She commented, “I think we are misleading the public if we don’t, starting this year, have a line item that says we know that, as a community, we’re going to have to pay for this.”

Continuing, Councilor Wurzbarger said she did not go to the Mayor to Washington, but County officials who attended said the Santa Fe delegation was received very well, but apparently “we were also told at that meeting that the range of what could be provided to a jurisdiction was between 30% and 80%. And I think we talk about how we’re going to be relying on getting our federal delegation to help us with this, and we’ve got the gross receipts tax, but I cannot imagine a scenario in which the City of Santa Fe, either alone or in conjunction with the County, is not going to have to put some money up.”

Ms. Raveling responded that staff has been working very hard on this issue with the Water Division, and all of the expected costs for anticipated water projects over the next 20 years have been plugged into a financing plan. She said the rate consultant on contract with the City is now refining the plan and will make a presentation at the May 7 Public Utilities Committee meeting.

Councilor Wurzbarger asked if she was correct, then, that the FY 2003-04 budget cycle would not include the Buckman diversion project, giving the City only three more years to get the money and start the project.

Ms. Raveling responded that the funds are definitely being budgeted as they come in for water projects. She added, “What really needs to be done for water, though, is the big picture, and not just look at the little pieces. Because the big picture is enormous.”

Mr. Romero noted that there are reserves in the Water Enterprise Fund that are not earmarked for any specific project.

Councilor Heldmeyer noted that fewer Solid Waste employees will be necessary as the City moves into automated pickup service, and asked if that decrease in personnel is reflected in the Solid Waste budget.

Mr. Lujan responded that some kind of savings will be realized as the City moves to automated service, but the budget does not factor that in primarily because it will take at least three years to stabilize the fund before automated service can be implemented. He added that, at the end of this year, it is anticipated that 5,000 households out of 23,000 will be automated.

In discussion on landfill issues, Mr. Lujan said the City has been in dialogue with the regional landfill staff regarding the possibility of using the transfer station. He added that the City is also talking with officials from Nambé Pueblo, who have some kind of interest in a materials recovery facility. He said, "Our thinking is, if we really talking regionally when it comes to some kind of recycling processing, it makes sense to try and pull all of the various resources together to see what may work in that respect." He said the facility, which is 44,000 square feet, "offers some great potential."

In discussion on possible increases of 75¢ per month on Stormwater, and 67¢ per month on Wastewater, Councilor Coss said, "I think when you're talking about stormwater, it really does hit the Public Works/Streets & Drainage Division, and I know that a lot of that division is General Fund-supported right now, and I also know that the Traffic Division really hasn't seen an increase in FTE for a while. I just want to suggest that any costs that we could more appropriately put under stormwater management, free up General Fund, and give those folks that are doing the cross walks and the traffic calming and the signs a little more staff help."

Mr. Romero responded that, given the need in the Traffic Division's sign shop in particular, he is looking at existing vacancies that he could convert to positions there to avoid impacting the General Fund.

Councilor Coss responded that the press and the public often criticize Streets for faded crosswalks, and he thought staff should be focused in that particular program.

Councilor Chavez concurred with Councilor Coss. He pointed out that the City has taken on traffic calming, and perhaps that and the sign shop could be better coordinated so "we're not undoing work that someone else just did."

Referring to the stormwater runoff ordinance and the building permit fee increase ordinance, Councilor Bushee remarked to Mr. Romero that she thought it "a little unprecedented to count on revenues before the ordinances are passed." She said she would like to take an opportunity in both instances to find creative solutions. For instance, she said, any catchment might include incorporating an incentive-based exemption to the stormwater runoff fee rather than doing it across the board.

On Councilor Wurzbarger's concerns vis-à-vis the Buckman diversion project issue, Councilor Bushee said she thought it could be expected that virtually all of the future CIP bond monies would be spent on water infrastructure needs. She commented that possibly a large amount of federal money the City has been counting on has been diverted in the short term because of the war in Iraq. She suggested that an upcoming PUC meeting include a "timeline refresher" on increases needed each year to be able to achieve the \$100 million needed to do the Buckman diversion.

Ms. Raveling pointed out that the challenge of financial planning is trying to figure out what state and federal funding will amount to, because generally the City doesn't know the amount until the year the funding arrives.

Councilor Heldmeyer pointed out to Councilor Bushee that the debate about whether or not most of future CIP bond monies will be dedicated to water infrastructure hasn't occurred yet. She added that, right now, "supposedly any water money coming out of CIP is to be considered a loan and will be paid back on some dim, distant day." She said there are numerous unmet capital needs in the community that people have been "clamoring for, and that is the debate that will begin in June, when the City begins talking about the CIP budget."

Councilor Heldmeyer noted that one of the goals the City is to look at using more technology to do things more efficiently and to save on personnel costs. She asked ITT director Rick Carlisle what was in this budget that would meet that goal.

Ms. Raveling noted a list of projects planned in the ITT area (page 404 of budget book) that included rewiring and a system upgrade.

Mr. Carlisle stated that the City would be able to put more robust applications on the network because it would be able to carry them — at this point, the City is approximately 50% through with upgrading the network in order to put on the applications that will help existing staff.

Mr. Carlisle said he could not stress how bad security was at the current time. He stated, "We've taken some measures, but they're only Band-Aids until we can get over this hump. Once that's in place, then I'll feel safe opening the network for VPN and remote access and that type of thing."

In the course of discussion on the Buckman diversion budget, and following a suggestion by Councilor Pfeffer that a line item be created for that project, Chair Lopez said there may be a better way to do the accounting on it so that one can actually see what funds are being spent for that and what funds are anticipated, etc.



Ms. Raveling agreed to set up a separate fund if there is not already one set up for this project.

Councilor Pfeffer also suggested that, beginning as soon as possible, the City begin “salting away” monies toward that project.

Speaking to the building permit fee ordinance, Councilor Pfeffer suggested that building permit fees also be waived for people in the community who are building homes that are the equivalent of affordable housing, but who may not qualify for an affordable housing project. He said perhaps someone wants to do a small addition to their home to accommodate family expansion, and the project is going to cost less than the equivalent of an affordable housing project, but they will be subject to possibly thousands of dollars in building permit fees. He expressed concern that, while developers may benefit from the waived fees, individual homeowners do not, and this just widens the gap between the rich and poor in the community.

Councilor Pfeffer said the City has to do something about its personnel costs. He stated that the City cannot continue to raise these costs, year after year, to the expense of the funds the City has available for the actual delivery of services. He stated that, unless the City can give guidance to staff on what kinds of increases can be allowed, “I think for the next few years, we’re talking cost of living. I think that’s what we can really afford until we know where are basis is.”

Discussion turned to requests from staff for tomorrow’s meeting.

Councilor Ortiz asked staff to bring organization charts to tomorrow’s meeting on Parks & Recreation, Public Works, and Solid Waste. He said he would like more information on the \$100,000 Railyard study.

Councilor Heldmeyer expressed concern about the lack of planners in the Planning Department and the relationship between Community Services, Parks & Recreation, and Planning & Land Use. She said that, if there are going to be organizational changes in those areas, she would like to see the organizational charts that reflect that. If there are not changes anticipated, she said she would like assurances that some of the long-time vacancies within those departments will be filled in fairly short order.

Mr. Romero explained that he was not through formulating minor changes at this point, so was not prepared to share that information.

Chair Lopez asked Mr. Romero to provide a written report on how he intends to staff the Planning Division.

Councilor Bushee asked for a report around how the suggested increases to the building permit fees will correlate into staffing levels.

**MATTERS FROM THE COMMITTEE**

None.

**ADJOURN**

Its business completed, the Committee adjourned the meeting at approximately 5:45 p.m.

Accepted by:

\_\_\_\_\_  
Councilor Carol Robertson Lopez, Chair

Reviewed by:

\_\_\_\_\_  
Kathryn Raveling, Finance Director

Submitted by:

\_\_\_\_\_  
Judith S. Beatty, Recorder